

Message Text

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PAGE 01 KINSHA 09434 301913Z
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 L-03 H-01 INR-07 /030 W
-----118737 301927Z /47

R 301555Z SEP 77
FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC 6065

C O N F I D E N T I A L KINSHASA 9434

STADIS////////////////////////////////

FOR AF/C

E.O. 11652: GDS
TAGS: EFIN EGEN CG
SUBJECT: EXIM AND INGA SHABA TRANSMISSION LINE

REF: KINSHASA 9260

1. CIS PROJECT MANAGER ADAMS HAS GIVEN EMBASSY COPIES OF PROPOSED LOAN APPLICATION PREPARED BY MORRISON-KNUDSEN IN COORDINATION WITH BUREC. FOREIGN EXCHANGE COSTS TOTAL \$73 MILLION. CIS HAS GIVEN PROPOSED APPLICATION TO SNEL FOR THEIR STUDY PRIOR TO SNEL'S OFFICIAL APPLICATION TO EXIM FOR LOAN TO FINANCE COST OVERRUN OF THE INGA-SHABA TRANSMISSION LINE. ADAMS MADE FOLLOWING POINTS RE LOAN APPLICATION AND ITS RELEVANCE TO STATUS OF CONSTRUCTION:

A. EXIM REQUESTED THAT MORRISON-KNUDSEN COORDINATE APPLICATION WITH BUREC. REPORTEDLY, IF BUREC IS SATISFIED WITH APPLICATION, THEN EXIM WILL NOT QUESTION TECHNICAL ASPECTS OF LOAN APPLICATION.

B. ADAMS ANTICIPATES THAT IT WILL BE APPROXIMATELY THREE MONTHS BEFORE SNEL MAKES FORMAL LOAN APPLICATION TO EXIM AS IT MUST FIRST STUDY LOAN AND OBTAIN NECESSARY CLEARANCES FROM GOZ
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ENTITIES.

C. SUFFICIENT FUNDS ARE AVAILABLE FOR CIS TO CONTINUE AT PRESENT RATE OF CONSTRUCTION UNTIL APPROXIMATELY MAY 1978, BY WHICH TIME ADAMS ANTICIPATES THAT EXIM WILL HAVE APPROVED NEW LOAN APPLICATION.

2. SADEMI HAS TOLD GOZ THAT IT CAN OBTAIN EUROPEAN FINANCING AT 15 PER CENT INTEREST RATE FOR \$23 MILLION, WHICH WOULD REDUCE FOREIGN EXCHANGE COSTS REQUESTED FROM EXIM ACCORDINGLY--PROVIDED GOZ ACCEPTS SADEMI PROPOSAL.

3. ADAMS STATED THAT HE HAS GIVEN DRAFT LOAN APPLICATION TO LENTZ, WHO INDICATED THAT EXIM WOULD APPROVE LOAN APPLICATION WITH FOLLOWING THREE CAVEATS: (A) GOZ BE CURRENT IN ALL PAYMENTS DUE EXIM, (B) RESPONSIBILITY FOR SPECIAL PAYMENT FACILITY BE RESTORED TO SOZACOM, AND (C) SPECIAL PAYMENTS FACILITY AGREEMENT BE AMENDED SO AS TO INCLUDE NEW LOAN.

4. APPARENTLY FORMAL APPLICATION TO EXIM IS NOT AS IMMINENT AS WE ANTICIPATED IN REFTEL. HOWEVER, WE STILL BELIEVE THAT IT WOULD BE USEFUL FOR AF/C OFFICERS TO DISCUSS STATUS AND IMPORTANCE OF THIS PROJECT WITH EXIM OFFICIALS AS WELL AS STATUS OF GECAMINES LOAN. AS STATED REFTEL, WE REGARD EXIM LOAN TO GECAMINES AS IMPORTANT BUT HIGHEST PRIORITY SHOULD BE GIVEN TO APPROVAL OF SHEL COST OVERRUN APPLICATION.
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, LOANS, INGA-SHABA
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Sep-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINSHA09434
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Errors: N/A
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ISecure: 1
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SAS ID: 1193886
Secure: OPEN
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Subject: EXIM AND INGA SHABA TRANSMISSION LINE
TAGS: EFIN, EGEN, CG, XMB, MORRISON-KNUDSEN
To: STATE
Type: TE
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Review Markings:
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